

NORTH LITTLE ROCK WASTEWATER TREATMENT COMMITTEE

MINUTES OF A MEETING HELD TUESDAY, APRIL 13, 2021

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, April 13, 2021 at the administrative offices located at the Faulkner Lake Treatment Plant.

The meeting was called to order by Chairman Matthews at approximately 12:15 p.m. The roll was called and all committee members were present. Those in attendance at the meeting were Mr. K.W. Matthews, Mr. Sylvester Smith, Mr. Ed Nelson, Ms. Karen Bryant and Mr. Gabe Stephens. Also in attendance were Mr. Michael Clayton, Director, Ms. Gina Briley, Mr. Richard Penn, City Engineer with the City of Sherwood, Ms. Sarah Smith, Mayor's Chief of Staff, with the City of Maumelle, Ms. Lindsey Baker with EGP, PLLC, Mr. Scott Hilburn with Hilburn & Harper, Ltd. and Dawn Harmon.

The Committee reviewed the minutes of its March 9, 2021 meeting. There being no questions or comments, a motion was made by Mr. Stephens, seconded by Mr. Nelson, to approve the minutes of its March 9, 2021 meeting. The motion carried unanimously.

Next, the Committee reviewed the cash disbursements for the month of March 2021. A motion was made by Mr. Nelson, seconded by Ms. Bryant, to approve the cash disbursements for March 2021 reflecting total cash disbursements of \$1,755,044.31 and fund transfers between accounts of \$1,367,300.00. The motion carried unanimously.

Upon motion made by Mr. Nelson, seconded by Ms. Bryant, the Committee unanimously approved the Financial Statement for March 2021.

EGP, PLLC has completed the audit for the year ended December 31, 2020. Ms. Lindsey Baker was present at the meeting to present the audit findings and answer any questions.

The audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Utility's financial statements as a whole. The introductory section, schedule of operating expenses and the schedule of expenditures of federal awards as required by the audit requirements of Title 2 U.S.

Code of Federal Regulations (“CFR”) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards on pages 1, 34 and 39, respectively, are presented for purposes of additional analysis and are not a required part of the financial statements.

The uncertainty language added to last year’s audit as a result of COVID-10 is included in this year’s audit as well.

It was also noted that the Utility fell prey to an email phishing scheme which resulted in the wiring of \$222,300 of funds to an unknown entity in January 2021. Subsequently the Utility has implemented additional controls. In addition to the new controls, EGP recommended that the Utility verify the vendor for wire transfers by utilizing the contact information available in the Utility vendor file for routine contact rather than from an email or other form of communication.

There were two (2) additional reports in the December 31, 2020 audit report due to the Utility receiving an FEMA Grant.

As in past years, this was a good clean audit and Ms. Baker thanked Ms. Briley, Mr. Clayton and members of the staff for their cooperation and hard work. After further discussion, a motion was made by Mr. Nelson, seconded by Mr. Stephens, to approve the 2020 Audit Report and authorize distribution of same. The motion carried unanimously.

Next, Mr. Clayton advised that the staff received bids for the “Dark Hollow Interceptors 2019 CIPP Rehabilitation Project” on March 25, 2021 at 1:00 p.m. This project includes internal lining of approximately 9,221 linear feet of 18", 24", 30" and 36" gravity sewer mains using the Cured In-Place Pipe rehabilitation (CIPP) in the North Argenta and Dark Hollow Area areas. It was noted that these lines are approximately fifty (50) years old. The low bid was submitted by Insituform Technologies, LLC in the amount of \$2,238,983.10. A copy of the Bid Tabulation was attached to the Agenda for review by the Committee. After review, a motion was made by Ms. Bryant, seconded by Mr. Nelson, to authorize the staff to award the contract for the Dark Hollow Interceptors 2019 CIPP Rehabilitation Project to Insituform Technologies, LLC in the amount of \$2,238,983.10 contingent upon receiving authorization from the Arkansas Natural Resources Commission. The motion carried unanimously.

The Committee then discussed the Goshen Avenue Sanitary Sewer Relocation Project. Mr. Clayton advised that bids for this project were received on March 25, 2021 at 10:00 a.m. and read aloud. The project consists of extending approximately 201 linear feet of 8" PVC sanitary sewer and up to 340 linear feet of

4" services lines. The re-route design for this project was performed by Marlar. The low bid was submitted by Cisneros Family Construction Corporation in the amount of \$98,092.99. A copy of the Bid tabulation was attached to the Agenda for review by the Committee. This project is included in the 2021 budget for \$300,000.00 under the line item Urgent/Emergency Locations. A motion was made by Mr. Smith, seconded by Mr. Stephens, to authorize the staff to award the contract for the Goshen Avenue Sanitary Sewer Relocation Project to Cisneros Family Construction Corporation in the amount of \$98.092.99. The motion carried unanimously.

Mr. Clayton then advised the Committee that the Faulkner Lake Influent Pump Station is the largest pumping facility within the Utility's system at a capacity of 21,000 gallons per minute or 30 million gallons per day. It is critical that the Utility keep at full capacity, especially for rain events. Pump #2, one of the two large influent pumps, a 350 horsepower, 20" Fairbanks Morse Pump, faulted for drawing high amperage. Maintenance staff disassembled the pump and discovered the cause to be the press fit wear ring has separated from the impeller. The following are two (2) options available to purchase a new impeller/wear ring assembly for the pump:

Instrument & Supply (manufacturing rep)	\$20,513
Lead Time	14-16 weeks
ABBA Pump Parts	\$21,600
Lead Time	8-10 weeks

After further discussion, a motion was made by Mr. Nelson, seconded by Ms. Bryant, to authorize the staff to purchase a new impeller/wear ring assembly from Instrument & Supply, Inc. since they are the manufacturing representative for the Fairbanks Morse Pumps using \$20,513 from the 2021 pump budget. The motion carried unanimously.

Mr. Clayton then informed the Committee that the treatment plant wheel loader is used to move the 20-yard sludge containers into position for filling, while operating the belt press. Additionally, operators use it to load and unload shipments and when changing our 3,500-pound chemical totes used in the plant. The loader's hydraulic transmission system has failed, resulting in a \$22,133.95 repair estimate from River Valley Tractor. This Kubota loader is a 1995 model, but the diesel engine was replaced in 2016 and it remains in good condition. A comparable new replacement loader would cost approximately \$70,000.00. After discussion, a motion was made by Mr. Smith, seconded by Mr. Stephens, to authorize the staff to proceed with the repair of the Kubota Wheel Loader hydraulic

transmission by River Valley Tractor in the amount of \$22,133.95. The motion carried unanimously. It was noted that this failure was not anticipated and is not budgeted for separately.

Mr. Clayton then advised the Committee that the North Little Rock Wastewater is considering a new program designed to encourage and assist homeowners with the replacement of aging sewer service lines. Since 2012, reducing and eliminating inflow and infiltration (I/I) has been the number one objective of the Utility to reduce or eliminate Sanitary Sewer Overflows (SSO). During the last nine years, 471,182 linear feet of gravity sewer mains have been either rehabilitated or under contract for rehabilitation which is nearly 14% of the collection system for a total cost of \$34 million. In addition to the efforts to reduce I/I, the Utility staff has been aggressively repairing and rehabilitating existing manholes throughout the collection system. During the same period, 8,988 manholes out of the 17,556 manholes which is 51% of the manholes throughout the collection system have been repaired or rehabilitated. There are three major components of the collection system vulnerable to I/I. One major component is the sanitary sewer collection system consisting of 6" through 54" mains. The second major component are the manholes or structures within the collection system and the last final major component are the private service lines. The Utility has been aggressively working to reduce I/I in two of the three components of the collection system. According to the Water Research Federation, 40 to 60% of the total I/I is attributed to failing private service lines and by implementing a program to incentivize homeowners to modernize their services lines, we will have a positive impact reducing long term I/I. Four options were presented for discussion and to consider for the SLIP program with a maximum reimbursement of \$2,500 to the homeowner.

General information to be considered if moving forward are:

1. Eligibility required: only residential units with a 5/8' water meter will be eligible. Multi-family and commercial businesses will **not** be eligible for the program.
2. Replacement of entire service line from house to curb is required. Point repairs are not eligible.
3. If under the street, the existing Customer Assistance Program to assist with the street replacement will apply.
4. A licensed plumber is required to perform the work.
5. A homeowner is responsible for paying the plumber and the Utility will reimburse the eligible homeowners.

Exclusions:

1. If home or residence is less than 10 years old,
2. If service can be restored by clearing blockage or routine cleaning,
3. If point repair is sufficient to remedy the issue

Automatic Inclusions:

1. Existing service line is Clay, Concrete or Orangeburg materials,
2. The construction of the residence is greater than 50 years old,
 - Seed Money for 2021: \$250,000 for up to 100 service line replacements.
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 - Number of Accounts with Residential 5/8" meters: 36,920.
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 - If a fee for \$1.00 per customer per month was charged, it would generate around \$443,000 per year and provide up to 177 service lines to be replaced.

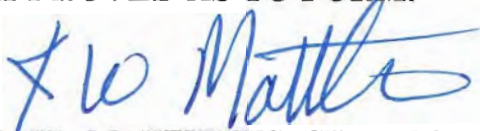
After a lengthy discussion, it was the Committee's position to proceed with developing this plan for replacements of service lines and present same to Mayor Hartwick for his consideration.

Mr. Clayton then gave a brief update to the Committee members with regard to the following:

1. Solar Project - The switch was to flip Tuesday, the day of the Committee meeting and start generating power by later that afternoon.
2. Union Pacific - working on the pretreatment breakdown which is mandated in our permit. There is currently a hearing scheduled for April 28th appealing the flow restriction on their permit which will most likely be rescheduled.
3. The City of Little Rock wants to use our permit (bio-solids application) for the permitted site with Dougan Farms. This is still in the negotiation phase due to cost factors.
4. Maumelle diversion project - putting together all necessary information such as scope of services to secure easements from approximately 26 landowners.

There being no further action to come before the Committee, a motion was made by Mr. Nelson to adjourn the meeting. The motion carried unanimously, and the meeting was adjourned at approximately 1:43 p.m.

APPROVED AS TO FORM:



K. W. MATTHEWS, CHAIRMAN

RESPECTFULLY SUBMITTED,



SYLVESTER SMITH,
VICE-CHAIRMAN/SECRETARY